GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1052
ANSWERED ON:01.08.2005
NEW SUGAR MILLS
Prasad Shri Hari Kewal

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to set up new sugar mills in the country including Uttar Pradesh;

(b) if so, the number of sugar mills proposed to be set up during the current financial year, State-wise;

(c) whether some sugar mills set up earlier have become sick;

(d) if so, since when and the causes of their sickness; and

(e) the steps taken for revival of these mills?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): The Central Government does not set up sugar mills in any part of the country. The sugar industry has been delicensed with effect from 31.8.1998. The entrepreneurs are now free to set up sugar mills as per techno-economic viability of their project maintaining a distance of 15 Kms from the existing sugar mills.

(c) & (d): Sugar mills remain closed or become sick from time to time for a variety of factors, such as, inadequate cane availability, uneconomical size, old age, bad condition of plant and machinery, technical and managerial incompetence etc.

(e): It is the responsibility of the entrepreneur to take steps to reopen/revive the closed sugar mills. The sick mills belonging to private and public sectors are covered under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Such sugar mills are required to make a reference to the Board for Industrial and Financial Reconstruction (BIFR) whenever their accumulated losses become equal to or more than the net-worth. If the rehabilitation schemes sanctioned by BIFR provide for any relief/concession from this Ministry, the scheme is considered as per the existing guidelines.

As regards the cooperative sugar mills a Committee has been constituted by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Pubic Distribution) to consider the proposals of the potentially viable sick sugar mills of this sector.

The Central Government has provided a loan of Rs. 20.89 Crores to 3 sick sugar mills for modernization and rehabilitation.